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Review of the efficiency of the administrative and financial functioning of the United Nations

Progress and impact assessment of management improvement measures

Report of the Secretary-General

Summary

The present report responds to General Assembly resolution 54/236, in which the Assembly endorsed the recommendations of the Committee for Programme and Coordination and requested the Secretary-General to submit a biennial progress report on the efficiency of the administrative and financial functioning of the United Nations.

The report provides a systematic account of the progress achieved in line with the Secretary-General's management reform agenda and the strategy to implement further measures, with a view to strengthening the Organization's efficiency in order to fulfil more effectively its role and implement the principles set out in the Charter of the United Nations.

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I. Introduction

1. The General Assembly, by its resolution 41/213 on the review of the efficiency of the administrative and financial functioning of the United Nations, set in motion a process of restructuring and reform aimed at strengthening the effectiveness of the Organization in order to enable it to fulfil more effectively its role and to implement the principles set out in the Charter. The present report addresses the objectives of resolution 41/213 pursuant to paragraph 2 of resolution 54/236, in which the Assembly endorsed the recommendations of the Committee for Programme and Coordination[1] and requested the Secretary-General to submit a biennial progress report on the review of the efficiency of the administrative and financial functioning of the United Nations through the appropriate intergovernmental bodies. In so doing, it focuses on the progress achieved in four main areas[2] of the Secretary-General's programme of reform and the management reform measures arising from the decisions made by Member States at the 2005 World Summit.

2. Because additional reports addressing the progress and impact of specific aspects of reform are scheduled for future transmittal to the General Assembly and progress achieved on previous management reform measures has already been covered in previous reports,[3] the present report provides a summary of key reform measures in order to avoid duplicating the content of previous and forthcoming reports to the Assembly.

II. Programme of reform

A. Information and communications technology

3. Progress achieved to date in the implementation of reforms related to information and communications technology has been concentrated in three main areas: (a) administrative and management processes; (b) knowledge-sharing; and (c) servicing of the United Nations organs and governing bodies. These three areas represent core activities of the Organization and are the building blocks necessary for the delivery of value-added service.

4. In the area of administrative and management processes, information and communications technology investments have enhanced operational efficiency by improving managerial decision-making and streamlining administrative workflows. For example, during 2005-2006, the Organization progressively provided the requisite information and communications technology infrastructure for all duty stations. The concept of "anytime/anywhere" is now a reality, as all United Nations staff are virtually guaranteed access to e-mail, Internet/Intranet, information sources such as the Official Documents System (ODS), telecommunications and videoconferencing services.

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[1] *Official Records of the General Assembly, Fifty-fourth Session, Supplement No. 16* (A/54/16).

[2] Information and communications technology, human resources management, budget and financial management and procurement.

[3] A/61/1; *United Nations Secretariat First Consolidated Report 2005* (United Nations publication, Sales No. E.06.I.35); A/61/129; A/60/692 and Corr.1; A/60/846/Add.1; A/61/765; A/61/64; A/61/228; A/61/255 and Add.1; A/59/253; A/60/846/Add.2; A/60/846/Add.3; A/60/846/Add.5; CEB/2006/HLCM/R.13; and CEB/2007/HLCM/7.

5. As previously reported in the *United Nations Secretariat First Consolidated Report 2005*,[4] the Information Technology Services Division of the Department of Management enhanced policies on information and communications technology security and business continuity/emergency preparedness and, as a result, in March 2006 the Secretariat attained a certification on international standards for information security management (ISO27001), establishing it as the first in the United Nations system to receive such certification.

6. To enhance knowledge-sharing and strengthen collaboration among all offices, the Secretariat began standardizing the critical network infrastructure to support data communication among all duty stations. In addition, as previously reported in the report of the Secretary-General on the work of the Organization (A/61/1), in 2005 the Secretariat made great progress towards its goal of increased knowledge-sharing among all duty stations, Member States and the public at large by implementing free public access to the multilingual ODS on the Internet, which currently averages more than 7,000 daily hits.[4,5]

7. In order to provide better service to United Nations organs and governing bodies, during 2005-2006 the Secretariat made further progress in pursuit of integrated global management of conference services with the four major conference centres of the Department for General Assembly and Conference Management. Agreement was reached in various areas, with the ultimate goal of further streamlining conference-servicing operations through harmonized and standardized administrative and operational policies, practices and procedures. The main measures include proactive document management to ensure timely issuance of documentation and control and limitation of documentation; the introduction and refinement of a capacity calculation exercise in documentation processing as a way of linking workload projections with staffing resources; the establishment of a common terminology database for language staff with clearly defined areas of specialization among duty stations; and offering language staff a broad range of technological tools, including voice-recognition, computer-assisted and digital recording software for processing documents. With a view to providing enhanced meetings and documents planning and management support, the Electronic Meetings Planning and Resource Allocation System (eMeets), the documents information management operations system (DIMO) and the electronic document planning and monitoring system (e-DOC) were further developed, and e-DOC was migrated to a robust technology platform. These systems were deployed in the meetings and documents planning and servicing areas respectively in order to facilitate meeting and documentation processes and to support managerial decision-making through, inter alia, improved data availability.[5]

8. In response to recommendations of the Advisory Committee on Administrative and Budgetary Questions[6] and the Office of Internal Oversight Services (A/59/133 and Corr.1), the Department for General Assembly and Conference Management launched an information technology global initiative in 2006. As reported in document A/61/129, the primary goal is to identify a unified information technology strategy that will lead to a global standardized approach to support decision-making

[4] United Nations publication, Sales No. E.06.I.35.

[5] See A/61/64 and A/61/129.

[6] *Official Records of the General Assembly, Fifty-eighth Session, Supplement No. 7* (A/58/7); and A/59/418.

and real-time global access to data, satisfy client needs, and align more effectively with the information technology standards and strategies of the Secretariat.

9. In May 2006, the Secretary-General submitted detailed proposals for drastically overhauling the current information and communications technology structure and systems (A/60/846/Add.1). The report included, among other things, the progress and assessment of previous investments and problems encountered with recent technological innovation programmes. Having considered the report, the General Assembly endorsed the establishment of the post of Chief Information Technology Officer and the replacement of the Integrated Management Information System (IMIS) with a next-generation enterprise resource planning system or other comparable system.

10. On 27 February 2007, the Secretary-General submitted an interim report on the creation of a new Office of Information and Communications Technology to be headed by the Chief Information Technology Officer (A/61/765). The report proposes a governance framework for information and communications technology in the United Nations Secretariat meant to ensure the proper balance between centralized functions and those requiring delegation of authority.

11. In response to the request by the General Assembly for a detailed report[7] on the implementation of a new enterprise resource planning system or comparable system, the Secretariat initiated an in-depth and extensive analysis of existing information and communications technology infrastructure, systems, applications and business processes. The study covers the needs of all users of the administrative and management systems, including those at peacekeeping missions, other field-based operations, offices away from Headquarters and regional commissions, as requested in Assembly resolutions 60/260 and 60/283. The Secretariat has completed preliminary findings and will provide resource requirements for the upgrading of the Secretariat-wide information and communications technology system along with a timetable for consideration by the Assembly at its second resumed sixty-first session.

B. Budget and financial management practices

12. The following were the key improvements in the areas of budget, financial accounting and reporting, and treasury services during 2005 and 2006, as noted in previous reports:[8]

(a) A new budget information system that enables budget instructions to be posted directly on the Intranet (http://ppbd.un.org/rbb) together with facilities for the preparation and submission of budget proposals;

(b) Improvements in the cost and efficiency of travel services, with savings realized in the form of airline discounts of 25 per cent compared to 21 per cent in the previous biennium;

[7] Outlined in resolutions 60/260, sect. IV, para. 1, and 60/283, sect. II, paras. 2, 3 and 5.

[8] A/61/64; *United Nations Secretariat First Consolidated Report 2005*, United Nations publication, Sales No. E.06.I.35.

(c) The Treasury implemented the Society for Worldwide Interbank Financial Telecommunication (SWIFT) network, which led to increased automated payments and lower bank charges;

(d) The use of automation techniques has improved final consolidated financial statements, resulting in more time for review and verification of accounts and thus improved adherence to reporting deadlines;

(e) A new one-stop client service centre has provided staff and retirees with a single centre for all payroll, tax, insurance, after-service health insurance benefits and related entitlement issues;

(f) Proposals were submitted to the General Assembly in 2006 to increase the Working Capital Fund to ensure that United Nations cash reserves are adequate to meet financial obligations in a timely fashion. In July 2006, the Assembly approved a $50 million increase to bring the Working Capital Fund to a level of $150 million effective 1 January 2007.

13. The General Assembly approved adoption of International Public Sector Accounting Standards by the United Nations in July 2006. All United Nations System organizations are adopting the Standards by 2010, with three organizations (the World Health Organization, the World Food Programme and the International Civil Aviation Organization) adopting earlier, in 2008. Since the General Assembly's decision, the following progress has been made:

(a) A United Nations steering committee has been established, recruitment of a Standards project team is well under way, with two appointments already made, including a team leader, and United Nations staff are actively involved in the system-wide process to develop harmonized guidance and accounting policies. The Standards adoption team and enterprise resource planning team are linked to ensure that timetables and key milestones are integrated;

(b) An inter-agency funded project is in place to support Standards adoption system-wide. Responsibilities include the development of Standards-compliant accounting policies and guidance, support for system-wide communication, and monitoring of system-wide progress. Since July, the system-wide project has issued 19 policy and guidance papers, including Standards-compliant model financial statements applicable to United Nations system entities. Ten United Nations system-wide Standards accounting policies have been approved by the Task Force on Accounting Standards, the inter-agency group previously responsible for United Nations System Accounting Standards development. An agreed process is in place to solicit the views of the technical group of the Panel of External Auditors on accounting policies and guidance.

14. A second six-monthly Standards progress report (CEB/2007/HLCM/7) has been submitted to the High-level Committee on Management. The information collected shows that 73 per cent of organizations now have "in principle" support for the adoption of the Standards from their governing bodies. Fifty per cent of organizations have now developed implementation plans. One third of organizations have carried out an assessment to determine the extent to which the Organization's

accounting and computerized information systems will require upgrading or replacement in order to capture information required by Standards reporting.[9]

15. As requested in General Assembly resolution 58/269, the Secretary-General will report to the Assembly at its sixty-second session through the Committee for Programme and Coordination on the Secretariat's experience with the strategic framework and associated experimental changes to the planning and budgeting process. The same resolution requested the identification of resources for the performance of monitoring and evaluation functions, and accordingly plan and budget proposals continue to emphasize and draw upon these portions of the programme planning, budgeting, monitoring and evaluation cycle. Pursuant to resolution 61/245, a report will be submitted to the Assembly at its sixty-second session on a comprehensive review of results-based management at the United Nations.

C. Human resources management

16. Since the previous report of the Secretary-General to the General Assembly on the progress achieved on human resources management reform (A/59/263) and the report of the Office of Internal Oversight Services on the impact of human resources management reform (A/59/253), considerable improvements have been achieved in consolidating and expanding the human resources management reform programme. As reported in detail in document A/61/228, the major achievements to date include (a) a system of human resources planning that provides the Organization with workforce profiles and trends at the Secretariat and departmental levels; (b) streamlining of policies and rules and an electronic Human Resources Handbook; (c) an enhanced staff selection system; (d) a policy on organizational mobility; (e) an organizational competency model containing core values and managerial competencies which has been progressively integrated into all human resources systems; and (f) an enhanced performance appraisal system (e-PAS) based on best practices.

17. As previously reported,[10] some of the accomplishments during 2005-2006 include the following:

(a) The Human Resources Handbook is updated on a regular basis and provides up-to-date text of Staff Regulations and Rules and all administrative issuances and circulars relevant to human resources management. Guidelines for practitioners are posted and updated regularly;

(b) Enhancement of Galaxy, which now includes a roster management module to assist programme managers with the review of roster candidates; vacancy announcements for the 200 and 300 series of Staff Rules; pertinent information for selection decisions and the creation of a more flexible managed reassignment programme for staff at the P-2 level. Additionally, the system has improved access to potential applicants worldwide. As of 2006, applications were received from 191

[9] Further information on system-wide Standards adoption is available at https://fb.unsystemceb.org/reference/05 and in the first progress report submitted to the High-level Committee on Management (CEB/2006/HLCM/R.13).

[10] A/61/228; A/61/255 and Add.1; and A/59/253.

Member States and the number of applications has risen from approximately 50,000 per year to a current high of about 350,000 annually;

(c) Enhancements to staff development programmes, including the introduction of a new programme for senior women leaders; new organizational development tools that model effective management and departments; and a programme to foster a shared understanding of the meaning of ethics, integrity, transparency and accountability. Greater access to staff development programmes was made available to staff members through the online provision of e-learning tools.

18. In the context of enhancing the way the Organization manages and develops its human resources system and as requested by the heads of State at the 2005 World Summit, the Secretary-General, in his report on investing in people (A/61/255), provided an analysis of the impact of past and future reforms and the rationale for change to further enhance human resources management reform. The report outlined an integrated set of proposals along with specific accountability measures, a timeline for implementation and resource implications. Following the recommendations made by the Advisory Committee on Administrative and Budgetary Questions, the General Assembly, in its resolution 61/244, provided guidance on furthering the reform of human resources management and requested elaboration of some of the proposals submitted by the Secretary-General.

19. Furthermore, in response to resolution 61/244, the Secretary-General will submit reports at the Assembly's resumed sixty-first session on the implementation of the proposed contract arrangements; recruitment and staffing; harmonization of conditions of service; and reform of Field Services. In addition, follow-up reports on the progress achieved in the implementation of enhanced measures will be submitted on a number of topics at the sixty-third session, including national competitive examinations; mobility; leadership and management capacity; measures to improve equitable geographical distribution; gender representation; and the human resources information system.

D. Procurement

20. In 2005-2006, the Secretary-General took concrete measures towards procurement reform in the areas of (a) strengthening internal control measures; (b) optimizing United Nations acquisition and procurement management; and (c) strategic management of United Nations procurement. The report of the Secretary-General on procurement reform (A/60/846/Add.5 and Corr.1) provides full details on the above-mentioned initiatives along with a strategy and timeline for their achievement. In accordance with Assembly resolution 61/246, the Assembly will have before it at its resumed sixty-first and sixty-second sessions progress and comprehensive reports on the following procurement activities: (a) proposals related to the issue of conflicts of interest and procurement opportunities for developing countries and countries with economies in transition; (b) all aspects of procurement reform, including governance; (c) simplification and streamlining of vendor registration and guidelines for the implementation of best value for money methodology.

III. Conclusion

21. **The General Assembly may wish to take note of the present report.**